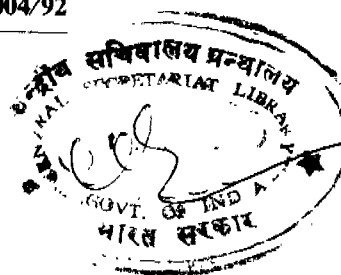




# भारत का राजपत्र The Gazette of India



असाधारण

EXTRAORDINARY

भाग II—खण्ड 1

PART II—Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 12] नई दिल्ली, शुक्रवार, जनवरी 8, 1993/पौष 18, 1914

No. 12] NEW DELHI, FRIDAY, JANUARY 8, 1993/PAUSA 18, 1914

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed  
as a separate compilation.

## MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 8th January, 1993/Pausa 18, 1914 (Saka)

### THE FOREIGN EXCHANGE REGULATION (AMENDMENT) ORDINANCE, 1993

No. 9 OF 1993

Promulgated by the President in the Forty-third Year of the  
Republic of India.

An Ordinance further to amend the Foreign Exchange Regulation  
Act, 1973.

WHEREAS Parliament is not in session and the President is satisfied that  
circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of  
article 123 of the Constitution, the President is pleased to promulgate the  
following Ordinance:—

1. (1) This Ordinance may be called the Foreign Exchange Regulation  
(Amendment) Ordinance, 1993.

Short title and  
commencement.

(2) It shall come into force at once.

2. In the Foreign Exchange Regulation Act, 1973 (hereinafter referred to as  
the principal Act), in the long title, the words "and bullion" shall be omitted.

Amendment of  
long title.

3. Sections 11 and 12 of the principal Act shall be omitted.

Omission of sec-  
tions 11 and 12.

4. In section 13 of the principal Act, —

Amendment of  
section 13.

(a) in sub-section (1), the words "any gold or silver or" shall be  
omitted;

(b) in sub-section (2), the words "gold, jewellery or precious stones  
or" shall be omitted.

Omission of sections 15 and 17.

5. Sections 15 and 17 of the principal Act shall be omitted.

Amendment of section 18.

6. In section 18 of the principal Act, after sub-section (10), the following *Explanation* shall be inserted, namely:—

*'Explanation.—* For the purposes of this section, "goods" includes gold, silver, jewellery and precious stones."*'*

Insertion of new section 18A.

7. After section 18 of the principal Act, the following section shall be inserted, namely:—

"18A. (1) No person shall, except with the general or special permission of the Reserve Bank, take or send out by land, sea or air any goods from India to any place on lease or hire or under any arrangement other than sale or disposal in any other manner of such goods.

(2) The provisions of section 18 shall, so far as may be, apply to the taking or sending out of goods under sub-section (1)."

Payment for lease, hire or other arrangement.

Amendment of section 19.

8. In section 19 of the principal Act,—

(a) in sub-section (1), clause (c) shall be omitted;

(b) in sub-section (4), clause (c) shall be omitted;

(c) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely:—

"(5) Notwithstanding anything contained in any other law, no transfer of any share, bond or debenture of a company registered in India made by a person resident outside India or by a national of a foreign State to another person resident in India shall be valid unless such transfer is confirmed by the Reserve Bank on an application made to it in this behalf by the transferor or the transferee.

(6) If the Reserve Bank is of opinion that it is necessary or expedient in the public interest so to do, it may, by general or special permission, exempt any transfer referred to in sub-section (5) or any class of such transfers from the operation of the provisions of that sub-section, subject to such conditions, if any, as may be specified in such permission."

Omission of sections 20 and 21.

9. Sections 20 and 21 of the principal Act shall be omitted.

Amendment of section 22

10. In section 22 of the principal Act, the words "The Central Government may, by notification in the Official Gazette, order that" shall be omitted.

Omission of section 23.

11. Section 23 of the principal Act shall be omitted.

Amendment of section 25.

12. In section 25 of the principal Act,—

(a) in sub-section (1), for the words "permission of the Reserve Bank", the words "general or special permission of the Reserve Bank" shall be substituted;

(b) sub-section (3) shall be omitted.

Substitution of new section for section 26.

13. For section 26 of the principal Act, the following section shall be substituted, namely:—

"26. Except with the general or special permission of the Central Government or the Reserve Bank, no person resident in India shall give a guarantee in respect of any debt or other obligation or liability—

(i) of a person resident in India, and due or owing to a person resident outside India, or

(ii) of a person resident outside India."

Certain provisions as to guarantee in respect of debt or other obligation.

14. Section 27 of the principal Act shall be omitted.

Omission of section 27.

15. In section 28 of the principal Act,—

Amendment of section 28.

(a) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:

“(1) Without prejudice to the provisions of section 47 and notwithstanding anything contained in any other provision of this Act or the Companies Act, 1956, a person resident outside India (whether a citizen of India or not) or a person who is not a citizen of India but is resident in India, or a company (other than a banking company) which is not incorporated under any law in force in India or any branch of such company, shall not, except with the general or special permission of the Reserve Bank, act, or accept appointment, as agent in India of any person or company, in the trading or commercial transactions of such person or company.

(2) Where any such person or company (including its branch) as is referred to in sub-section (1) acts or accepts appointment as such agent without the permission of the Reserve Bank, such acting or appointment shall be void.”;

(b) in the *Explanation*, clause (d) shall be omitted.

16. In section 29 of the principal Act,—

Amendment of section 29.

(a) in sub-section (1), the words “or in which the non-resident interest is more than forty per cent.” shall be omitted;

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) A company (other than a banking company) in which the non-resident interest is more than forty per cent., shall not, except with the general or special permission of the Reserve Bank, carry on in India any activity relating to agriculture or plantation or acquire the whole or any part of any undertaking in India of any person or company carrying on any activity relating to agriculture or plantation or purchase the shares in such company.”;

(c) after sub-section (4), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

‘*Explanation*.—For the purposes of this section,—

(i) “company” has the same meaning as in clause (b) of the *Explanation* to section 28;

(ii) “non-resident interest” means participation in the share capital by, or entitlement to the distributable profits of, any individual or company resident outside India, or any company not incorporated under any law in force in India, or any branch of such company whether resident outside India or not.’.

17. In section 30 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

Amendment of section 30.

“(1) No national of a foreign State shall, without the previous permission of the Reserve Bank, practise any profession or carry on any occupation, trade or business in India in a case where such national desires to acquire any foreign exchange (such foreign exchange being intended for remittance outside India) out of any moneys received by him in India by reason of the practising of such profession or the carrying on of such occupation, trade or business, as the case may be.”.

18. In section 31 of the principal Act, in sub-section (1), the words “or in which the non-resident interest is more than forty per cent.” shall be omitted.

Amendment of section 31.

Omission of  
section 32.

19. Section 32 of the principal Act shall be omitted.

Amendment  
of sections  
35, 37, 46  
and 62.

20. In sections 35, 37, 46 and 62 of the principal Act, for the words and figures "Code of Criminal Procedure, 1898", the words and figures "Code of Criminal Procedure, 1973" shall be substituted.

5 of 1898.  
2 of 1974.

Amendment  
of section 41.

21. In section 41 of the principal Act,—

(a) for the words "one year", wherever they occur, the words "six months" shall be substituted;

(b) after clause (ii), the following proviso shall be inserted, namely:—

"Provided that the aforesaid period of six months may, for reasons to be recorded in writing, be extended by the Director of Enforcement for a further period not exceeding six months."

Amendment  
of section 42.

22. In section 42 of the principal Act,—

(a) in sub-section (1), in clause (i), after the word and figures "section 18", the words, figures and letter "or section 18A" shall be inserted;

(b) after sub-section (3), the following sub-sections shall be inserted, namely:—

"(4) Where any foreign currency, being the subject-matter of any investigation or proceeding referred to in sub-section (1), is in the custody of an officer of Customs or of an officer of Enforcement or of a court, the Collector of Customs, the Director of Enforcement or, as the case may be, the court may, having regard to the security-risk involved in such custody, direct that the foreign currency be deposited in a bank in such manner as he or it may deem fit.

(5) Where any draft, cheque (including traveller's cheque) or other instrument is to be encashed under sub-section (1) or any foreign currency is to be deposited in a bank under sub-section (4), the Collector of Customs, the Director of Enforcement or, as the case may be, the court, may prepare or cause to be prepared an inventory of such draft, cheque or other instrument or foreign currency containing such details relating to its description, mark, numbers, country of origin and other particulars as may appear to be relevant to its identity in any proceeding under this Act and where the inventory is prepared or cause to be prepared by the Collector or the Director, the Collector or, as the case may be, the Director shall make an application to a Magistrate for the purpose of—

(a) certifying the correctness of the inventory so prepared; or

(b) taking, in the presence of the Magistrate photographs of such draft, cheque, other instrument or foreign currency, and certifying such photographs as true.

(6) Where an application is made under sub-section (5), the Magistrate shall, as soon as may be, allow the application."

Amendment  
of section 43.

23. In section 43 of the principal Act, in sub-section (5), the words and figures "and to a person to whom a licence has been granted or deemed to have been granted under section 32" shall be omitted.

Amendment  
of section 45.

24. In section 45 of the principal Act,—

(a) in sub-section (1), for the words and figures "Code of Criminal Procedure, 1898, any police officer not below the rank of a Sub-Inspector of Police", the words and figures "Code of Criminal Procedure, 1973, any police officer not below the rank of a Deputy Superintendent of Police" shall be substituted;

5 of 1898.  
2 of 1974.

(b) in sub-section (3), for the words and figures "Code of Criminal Procedure, 1898", the words and figures "Code of Criminal Procedure, 1973" shall be substituted.

5 of 1898.  
2 of 1974.

**25.** In section 50 of the principal Act, for the word and figures "section 18", the words, figures and letter "section 18, section 18A" shall be substituted. Amendment of section 50.

**26.** In section 52 of the principal Act,—

Amendment of section 52.

(a) in sub-section (2), after the words "Any person aggrieved by such order may," the words "on payment of such fee as may be prescribed and" shall be inserted;

(b) in sub-section (6), in the second proviso, for the words "fifty thousand rupees", the words "two lakhs and fifty thousand rupees" shall be substituted.

**27.** In section 53 of the principal Act, in sub-section (2), for the words and figures "sections 480 and 482 of the Code of Criminal Procedure, 1898", the words and figures "sections 345 and 346 of the Code of Criminal Procedure, 1973" shall be substituted. Amendment of section 53.

5 of 1898.  
2 of 1974.

**28.** In section 56 of the principal Act,—

Amendment of section 56.

(a) in sub-section (1), for the word and figures "section 18", the words, figures and letter "section 18, section 18A," shall be substituted;

(b) in sub-sections (2) and (3), for the word and figures "section 18", wherever they occur, the words, figures and letter "section 18 or section 18A" shall be substituted;

(c) in sub-section (6), for the words and figures "the first proviso to section 188 of the Code of Criminal Procedure, 1898", the words and figures "the proviso to section 188 of the Code of Criminal Procedure, 1973" shall be substituted.

5 of 1898.  
2 of 1974.

**29.** In section 58 of the principal Act,—

Amendment of section 58.

(a) in sub-section (1), for the words "be punishable with fine which may extend to two thousand rupees", the words "be punishable with imprisonment for a term which may extend to two years or with fine which may extend to ten thousand rupees or with both" shall be substituted;

(b) in sub-section (2), for the words "two thousand rupees", the words "ten thousand rupees" shall be substituted.

**30.** In section 61 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:— Amendment of section 61.

"(1) Notwithstanding anything contained in section 29 of the Code of Criminal Procedure, 1973, it shall be lawful for any metropolitan magistrate and for any magistrate of the first class to pass a sentence of imprisonment for a term exceeding three years or of fine exceeding five thousand rupees on any person convicted of an offence punishable under section 56."

2 of 1974.

**31.** In section 64 of the principal Act, in sub-sections (1) and (2), for the word and figures "section 18", the words, figures and letter "section 18, section 18A," shall be substituted. Amendment of section 64.

**32.** In section 66 of the principal Act, in sub-section (1), for the words and figures "section 562 of the Code of Criminal Procedure, 1898", the words and figures "section 360 of the Code of Criminal Procedure, 1973" shall be substituted. Amendment of section 66.

5 of 1898.  
2 of 1974.

Amendment  
of section 67.

33. In section 67 of the principal Act, for the word and figures "section 18", the words, figures and letter "section 18, section 18A" shall be substituted.

Amendment  
of section 71.

34. In section 71 of the principal Act, in sub-section (3), for the words "two hundred and fifty rupees", the words "fifteen thousand rupees" shall be substituted.

Amendment  
of section 73.

35. In section 73 of the principal Act, in sub-section (3), the words and figures "persons referred to in sub-section (1) of section 32" shall be omitted.

Insertion of  
new section  
73A.

36. After section 73 of the principal Act, the following section shall be inserted.

Penalty for  
contraven-  
tion of direc-  
tion of  
Reserve  
Bank or for  
failure to file  
returns.

"73A. Where any authorised dealer contravenes any direction given by the Reserve Bank under this act or fails to file any return as directed by the Reserve Bank, the Reserve Bank may, after giving a reasonable opportunity of being heard impose on the authorised dealer a penalty which may extend to ten thousand rupees and in the case of continuing contravention with an additional penalty which, may extend to two thousand rupees for every day during which such contravention continues."

Amendment  
of section 74.

37. In section 74 of the principal Act, in clause (i), for the figures and word "9, 10 or 11", the figures and word "9 or 10" shall be substituted.

Amendment  
of section 79.

38. In section 79 of the principal Act, in sub-section (2), after clause (d), the following clause shall be inserted, namely:—

"(dd) prescribe the fee payable by a person preferring appeal to the Appellate Board under sub-section (2) of section 52;"

SHANKER DAYAL SHARMA,  
*President.*

A.C.C. UNNI,  
*Additional Secretary to the Govt. of India.*